

THE CANADIAN NORTHERN CORRIDOR: PLANNING FOR NATIONAL PROSPERITY*

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SUMMARY

This paper is a follow-up to the School of Public Policy's initial publication on the corridor concept published by Sulzenko and Fellows (2016). In it, we give a summary of the broad scope of the Canadian Northern Corridor (CNC) concept and The School of Public Policy's CNC research program.

Canada has benefited immensely from major national infrastructure projects; however, there remain significant constraints in the Canadian transportation grid that must be addressed to seize opportunities for shared prosperity and security now and into the future. Addressing these constraints requires substantive investments by the private and public sectors to grow and diversify Canada's domestic and international markets, support northern and Indigenous community development, fulfil commitments to reconciliation, reduce environmental footprints, strengthen the national infrastructure grid, enhance northern security and sovereignty and address barriers to inter-regional trade. Current approaches to national infrastructure planning and development are wanting, putting the achievement of these important objectives at risk.

Canada's current infrastructure approach is piecemeal; projects are planned and implemented in isolation from one another and regulatory and governance frameworks are specifically designed for individual projects and their specific purposes. This reliance on one-off projects comes with little or no consideration of a long-term national strategy or integration with other infrastructure initiatives. Project investors must address all environmental, Indigenous and intergovernmental concerns, shoulder all costs and be able to survive an uncertain approval process lasting a decade or more. Further, there is no opportunity for sharing the approval and construction costs with other infrastructure projects by integrating and co-ordinating their planning and implementation processes. These characteristics translate into high costs and uncertainty with the result that, increasingly, major private investors may choose to go elsewhere, taking with them potential associated benefits.

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The CNC concept addresses these issues. The CNC is multi-modal, capable of accommodating infrastructure in the form of roads, rail, power lines, communications cables and transmission equipment, commodity pipelines and other future linear infrastructure modes. The CNC involves a set of pre-approved and administered rights-of-way, combined with an institutional framework for its development and operation, improving the economics and decreasing the environmental footprint of infrastructure investments that cross regional boundaries.

The establishment of a single comprehensive and integrated body for corridor regulation and operation could enhance the capacity of local communities to plan and participate in long-term infrastructure projects. Further, the CNC could deliver economic opportunities and participation for Indigenous communities. Even regions with high degrees of existing transportation infrastructure connectivity will benefit from reduced congestion and linkages to new regions.

The School of Public Policy's CNC research program provides the information base, analysis and evaluation required to assess the feasibility and desirability of establishing permissible corridors in Canada. Integrating formal academic research and a strategy of engagement with potentially impacted communities, the program is working to address key issues such as geographic and engineering feasibility, legal and governance issues, and financial and economic viability. It is a collaborative venture involving experts from multiple Canadian and international research institutions, as well as outside consultants and community stakeholders. The goal is to generate a comprehensive and inclusive picture of the implications and impacts of a corridor network of multi-modal rights-of-way across Canada, along with an accompanying governance framework.

The potential benefits of the corridor concept can be broadly categorized across five topics:

- *Streamlining Environmental Protection*
The corridor concept allows for multiple linear infrastructure projects to be located along a single right-of-way. This implies less land-use disturbance compared to multiple one-off projects. Done correctly, it would reduce habitat fragmentation and allow for better cumulative effects management. The corridor would also allow for more centralized, integrated monitoring of infrastructure and its impact on the environment, enabling better data collection, emergency response and adaptive management.

The corridor would also allow for improved climate-resilience planning and adaptation to climate change. To plan effectively, anticipated changes to climatic conditions must be integrated into infrastructure planning in all stages. The corridor would provide for a central institution to better co-ordinate and plan climate-resilient infrastructure.

- *Improving Standards of Living in Canada's North and Near-North*
Canada's Arctic and Northern Policy Framework (Government of Canada 2019b) asserts that, "insufficient physical and social infrastructure has hindered opportunities for growth and prosperity in the region."

For goods movements, northern communities face particularly acute bottlenecks since they largely rely on seasonal winter roads built across frozen waterbodies and permafrost. Due to climate change, the season for these roads is becoming unpredictable and shorter. For telecommunications, a lack of stable connectivity also presents significant challenges.

- *Improving Economic Outcomes*
Improvements in infrastructure can lead to lower trade costs and improved gains from trade for all regions. Potential benefits would be wide-ranging: job and income creation, decreases in the cost of living, better accessibility to goods and services, and an implied overall improvement to Canadians' well-being associated with higher real incomes. The implied GDP impact is significant.
- *Safeguarding Indigenous Agency*
A key objective of the CNC is the inclusion of Indigenous communities and businesses who will potentially comprise a significant portion of project proponents.

Historically, major national infrastructure projects have had highly unequal impacts in terms of benefits and costs, particularly with respect to disenfranchised Indigenous Peoples and other marginalized members of Canadian society. The CNC is an opportunity for inclusive growth and reconciliation. The federal government has already identified reconciliation with Indigenous communities as a key consideration in planning, executing and operating future large-scale infrastructure investments

- *Promoting Canada's Global and Strategic Significance*
Canada has renewed its focus on its northern and Arctic regions due to a combination of a north-south divide impeding trade flow between the provinces and territories, climate change concerns and untapped natural resource potential. Underdeveloped infrastructure in the North and Arctic also poses a risk to Canada's sovereignty. Multiple countries have interests in the Arctic and the political and legal status of the Northwest Passage has long been disputed. The current underdeveloped state of infrastructure in the North significantly impedes Canada's ability to consolidate its Arctic territorial claims of water straits and passages, especially regarding the aspirations of other circumpolar states, most notably Russia and China.

Absent comprehensive and integrated planning, the future of Canada's North and near-North will most likely follow the pattern of the last 50 years: a lack of project certainty and continued proposals for one-off investments in roads to service the needs of individual projects or goals without concern for the positive spillovers that could accrue to communities or other users.

Deserved or not, Canada is building a reputation for paralysis in linear infrastructure projects based on a combination of publicized delays in deep-water ports, oil and gas pipelines and other resource projects. Regulations are necessary for the protection of the environment and society and eliminating or reducing regulatory standards is not a reasonable reaction to this paralysis. Balancing the necessary integrity of Canada's regulatory structure against the desire to facilitate private and public linear infrastructure development requires a new approach, one that promotes regulatory efficiency and economizes on investments in regulatory review and impact assessment.

The purpose of the CNC research program is to provide information and analysis necessary to establish feasibility, desirability and the most advantageous choices for implementation of the corridor concept. The program takes the form of original peer-reviewed academic study; formal engagement with potentially affected communities, businesses and governments and an accompanying research dissemination strategy.